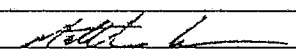
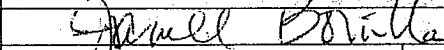


Attachment A

STD 810 Contracting Activity Report Form (Rev. April 2009)
CONTRACTING ACTIVITY REPORT

STATE OF CALIFORNIA-DEPARTMENT OF GENERAL SERVICES
PROCUREMENT DIVISION

Agency: State and Consumer Services Agency					Year of Report: FY 10-11		Department: California Public Employees' Retirement System				
CONTRACTING ACTIVITY CATEGORY	Part 1					Part 2					
	Certified Disabled Veteran Business Enterprise (DVBE) Participation in State Contracting Activity					Certified Small Business (SB) / Microbusiness (MB) Participation in State Contracting Activity					
	TOTAL CONTRACT AWARDS					TOTAL CONTRACT AWARDS					
	Total Contract Dollars*	Total \$ to DVBE Prime Contractors	Total \$ to DVBE Sub-Contractors	Total DVBE Prime & Subs \$	Percentage (Column D divided by Column A)	Total Contract Dollars*	Total \$ to SB/MB Prime Contractors	Total \$ to SB/MB Sub-Contractors	Total SB/MB Contract Dollars	Percentage (Column J divided by Column G)	
	A	B	C	D (B+C)	E (D/A)	G		H	I	J (H+I)	K
1. Goods (Non-IT)	\$6,052,133.90	\$296,711.59		\$296,712	4.90%	\$6,052,134	SB	\$679,532.59	SB \$ -	\$679,533	11.23%
							MB	\$624,870.98	MB \$ -	\$624,871	10.32%
2. Services** (Non-IT)	\$228,517,677.30	\$149,729.65	\$2,016,979.70	\$2,166,709	0.95%	\$228,517,677	SB	\$6,950,852.77	SB \$ -	\$6,950,853	3.04%
							MB	\$3,184,257.91	MB \$ -	\$3,184,258	1.39%
3. Construction				\$0	0.00%	\$0	SB		SB \$ -	\$0	0.00%
							MB		MB \$ -	\$0	0.00%
4. IT (Goods & Services)	\$92,834,268.31	\$2,825,261.10	\$2,810,282.46	\$5,635,544	6.07%	\$92,834,268	SB	\$16,154,653.55	SB \$145,198.35	\$16,299,852	17.56%
							MB	\$34,670,904.68	MB \$562,608.30	\$35,233,513	37.95%
5. CALCard Data				\$ -	0.00%	\$0			SB \$ -	\$0	0.00%
									MB \$ -	\$0	0.00%
TOTALS	\$327,404,080	\$3,271,702	\$4,827,262	\$8,098,965	2.47%	\$327,404,080	SB	\$23,785,039	SB \$145,198	\$23,930,237	7.31%
							MB	\$38,480,034	MB \$662,608	\$39,042,642	11.92%
TOTAL NUMBER OF DVBE CONTRACTS:				DVBE		TOTAL NUMBER OF SB/MB CONTRACTS:				SB	
				478						318	
										1,107	
19.23%											
Comments:											
Preparer's Information:						Approver's Information					
Name (Print): Matthew Carson						Name (Print): Janell Bonilla					
Title: CalPERS Business Connection Liaison						Title: Assistant Division Chief, Operations Support Services Division					
Signature: 				Date: 7/29/2011		Signature: 				Date: 7/29/2011	
Telephone: 916-795-3847			Fax: 916-795-3379			Telephone: 916-795-0702			Fax: 916-795-3659		
Email Address: Matthew_Carson@CalPERS.ca.gov						Email Address: Janell_Bonilla@CalPERS.ca.gov					
Street Address: 400 Q Street						City: Sacramento				Zip: 95811	
*The amounts shown in Columns A and G should be the same. If not, submit an explanation with this report. **Includes Architect and Engineering Services (A&E) DVBE = Disabled Veteran Business Enterprise SB = Small Business MB = Microbusiness						Return Annual Department Reports To: Department of General Services Procurement Division/OSDS Attn: Reports Coordinator 707 3rd Street, Room1-400, IMS Z-1, MS 210 West Sacramento, CA 95605					
INCLUDE STD 810 Supplemental Report, STD 810 A Infrastructure Bond Acts Report, Consulting Services Report and Ethnicity, Race and Gender Reports with submission of the annual report.											

Attachment A

**Small Business
Contract Participation and Improvement Plan
July 1, 2010 – June 30, 2011**



Fiscal Year 2010-11

Annual Report

Prepared by:

California Public Employees' Retirement System

Operations Support Service Division

CalPERS Business Connection

SUMMARY OF SMALL BUSINESS PARTICIPATION

The California Public Employees' Retirement System (CalPERS) adopted the provisions of Public Contract Code § 10115 et seq. in 1990 and accordingly established an overall Small Business (SB) contract participation level of 25 percent.

Attachment 1: The Contracting Activity Report/STD 810 summarizes the level of SB contract participation CalPERS achieved during Fiscal Year (FY) 2010-11. The data reflects participation using the CalPERS Board of Administration reporting criteria, which includes multi-year contracts that were in force during the reporting period, but were not executed in the same period. This differs from the Department of General Services (DGS) reporting criteria, which asks for "the total value, in whole dollar amounts, of all contracts ... issued or charged during the reporting period, for each category..."

Part 2 of the Contracting Activity Report highlights CalPERS utilization of SBs and Micro Businesses (MB) during FY 2010-11:

- 7.31 percent SB participation level for all contracting activity (combined volume of all goods, services and construction activity)
- 11.92 percent MB participation level for same
- Combined SB/MB participation level of 19.23 percent.

Attachment 2: The Std. 810 Supplemental Report indicates that two contracts were awarded to DVBEs, SBs, and/or MBs based on the DVBE and SB/MB Option (pursuant to Section 14838.5(a) and 14838.7(a) of the Government Code Public Code 10111 Section (e) (7)). The total value of the contract was \$298,999.

Despite CalPERS proactive approach toward SB participation, the agency remains short of its 25 percent goal. The FY 2010-11 deficiencies can be attributed to the following:

- Large CalPERS-unique Health Benefits contracts that do not lend themselves to DVBE participation.
 - Due to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and associated liabilities, many of our vendors for larger health benefit contracts can't, or will not use subcontractors for CalPERS contracts. This really limits CalPERS DVBE participation opportunities and negatively affects our overall participation levels. These contracts totaled approximately \$68 million.
- The sheer size and unique nature of our investment contracts, which precludes the use of SB/MB as either primes or subcontractors.

- The unique nature of CalPERS investment contracts often requires the services of large international companies which specialize in the service requested. It becomes challenging for these international companies to subcontract with a California certified SB. These contracts totaled approximately 71 million.

Together, Health Benefits and Investment contracts accounted for more than 42 percent, or 138 million, of our FY 10-11 spending (327,404,080 million).

Despite these challenges, CalPERS is very encouraged by the FY 10-11 results. CalPERS increased its SB/MB participation level by 7.54 percent from last year's 11.69 percent level. The SB/MB participation level of 19.23 percent not only represents a significant increase in CalPERS SB/MB contracting activity, it is also the highest level CalPERS has ever reached as a department.

CalPERS' commitment to diversity has and will continue to be a top priority. CalPERS will continue to develop strategies (detailed below) to help strengthen the SB/DVBE program. We have seen an increase in FY 2010-11 and foresee the trend to continue.

CalPERS EFFORTS TO INCREASE SMALL AND MICRO BUSINESS PARTICIPATION

Having adopted Resolution 92-04B-7, the CalPERS Board of Administration remains committed to establishing an aggressive and proactive outreach program that targets all who wish to do business with CalPERS, including SB, MB, and DVBE businesses. CalPERS has employed a full-time Business Liaison since November 2001, to provide outreach for the CalPERS Business Connection Program.

Focused efforts on increasing SB/MB participation levels include:

1. Developing and enhancing CalPERS SB policies.
2. Encouraging eligible CalPERS vendors to become certified via DGS.
3. Promoting stronger use of the SB Option for CalPERS contracting opportunities.
4. Strengthening an internal campaign to further promote the program and encourage CalPERS staff to use certified SBs and MBs for products and services currently being provided by non-certified companies, providing that products/services, pricing, distribution, and service levels are comparable.
5. Utilizing internal communication avenues to highlight CalPERS SB participation goals and the importance of purchasing and contracting with certified firms.

6. Participating in business tradeshow, conventions, and events to promote CalPERS contracting opportunities (oftentimes partnering with the Department of Veteran's Affairs and/or DGS).
7. Providing internal education and serve as a resource to various CalPERS divisions to enhance awareness and understanding of the SB program.
8. Working directly with certified businesses, including notifying them when their certification has expired and encouraging them to recertify.
9. Continue to work with OSSD to develop bidder's conferences that provide networking opportunities for SB/MBs.
10. Utilize internal communication avenues to highlight success stories of how CalPERS is currently using certified companies and to encourage further utilization of these certified firms in all of CalPERS' divisions.

Attachment A

**Disabled Veteran Business Enterprise
Contract Participation and Improvement Plan
July 1, 2010 – June 30, 2011**



Fiscal Year 2010-11

Annual Report

Prepared by:

California Public Employees' Retirement System

Operations Support Services Division

CalPERS Business Connection

SUMMARY OF DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION LEVELS

The California Public Employees' Retirement System (CalPERS) adopted the provisions of Public Contract Code §10115 et seq. in 1990 and accordingly established an overall Disabled Veteran Business Enterprise (DVBE) contract participation level of three percent.

Attachment 1: The Contracting Activity Report/STD 810 summarizes the level of DVBE contract participation CalPERS achieved during Fiscal Year (FY) 2010-11. The data reflects participation using CalPERS Board of Administration reporting criteria, which includes multi-year contracts that were in force during the reporting period, but were not executed in the same period. This differs from the Department of General Services (DGS) reporting criteria, which asks for "the total value, in whole dollar amounts, of all contracts with any non-governmental entity, issued or charged during the reporting period, for each category..."

Part 1 of the Contracting Activity Report highlights CalPERS utilization of the DVBEs during FY 2010-11:

- 2.47 percent overall DVBE participation level for all contracting activity (combined volume of all goods, services and construction activity)
- 4.90 percent DVBE participation level for the procurement of non IT goods
- 0.95 percent DVBE participation level for the procurement of non-IT services
- 6.07 percent DVBE participation level for the procurement of IT goods and services.

Despite CalPERS proactive approach toward DVBE participation, the agency remains short of its 3 percent goal. The FY 2010-11 deficiencies can be attributed to the following:

- Large CalPERS-unique Health Benefits contracts that do not lend themselves to DVBE participation.
 - Due to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and associated liabilities, many of our vendors for larger health benefit contracts can't, or will not use subcontractors for CalPERS contracts. This really limits CalPERS DVBE participation opportunities and negatively affects our overall participation levels. These contracts totaled approximately \$68 million.
- The sheer size and unique nature of our investment contracts, which precludes the use of DVBE's as either primes or subcontractors.
 - The unique nature of CalPERS investment contracts often requires the services of large international companies which specialize in the service requested. It becomes challenging for these international companies to subcontract with a California certified DVBE and more importantly ensuring that the DVBE is able to provide a Commercially Useful Function. These contracts totaled approximately \$71 million.

Together, Health Benefits and Investment contracts accounted for more than 42 percent, or 138 million, of our FY 10-11 spending (327,404,080 million).

While some of these large contracts do not lend themselves directly to SB/DVBE participation, many of them do share CalPERS diversity vision and have strong a supplier diversity program in place.

These companies are dedicated to diversifying their supplier base and actively work to include diverse suppliers in every bidding opportunity. Due to the success of their diversity efforts, many of these companies have been recognized as Top Companies for Diversity.

Although CalPERS fell short of its three percent goal, we have continued to see a steady increase the past two years and it is a trend that we foresee to continue.

The main factors for this increase can be attributed to the following:

Over the last three years, CalPERS has updated its solicitation documents to include:

- DVBE incentives
- Mandatory three (3) percent DVBE participation
- Bidder's conference opportunities

While the above mentioned have helped strengthen CalPERS SB/DVBE program, the elimination of the Good Faith Effort (GFE) has arguably had the biggest impact on our increase. Prior to the passing of AB X4 21, most of CalPERS large specialized contracts completed the GFE process for compliance. With the elimination of the GFE, CalPERS foresees our DVBE participation to increase as more of these contracts come up for renewal and, in turn, will have a mandatory 3% DVBE requirement.

Attachment 2: The Std. 810 Supplemental Report indicates that two contracts were awarded to DVBEs, SBs, and/or MBs based on the DVBE and SB/MB Option (pursuant to Section 14838.5(a) and 14838.7(a) of the Government Code Public Code 10111 Section (e) (7)). The total value of the contract was \$298,999.

CalPERS' commitment to diversity has and will continue to be a top priority. CalPERS will continue to develop strategies (detailed below) to help strengthen the SB/DVBE program. We have seen an increase in FY 2010-11 and foresee the trend to continue.

CalPERS EFFORTS TO INCREASE DVBE PARTICIPATION

CalPERS Board of Administration remains committed to establishing an aggressive and proactive outreach program that targets all who wish to do business with CalPERS, including small, micro and disabled veteran businesses. CalPERS has employed a full-time Business Liaison since November 2001 to provide outreach for the CalPERS Business Connection Program.

Focused efforts for increasing DVBE participation levels include:

1. Developing and enhancing CalPERS DVBE policies.
2. Promoting stronger use of the DVBE Option for CalPERS contracting opportunities.
3. Encouraging eligible CalPERS vendors to become certified via DGS.
4. Strengthening an internal campaign to further promote the program and encourage CalPERS staff to use certified DVBEs for products and services currently being provided by non-certified companies, providing that products, services, pricing, distribution, and service levels are comparable.
5. Providing internal education to purchasing coordinators, contract managers, and all managers and supervisors. Enhance awareness and understanding of the DVBE program.
6. Working directly with certified DVBEs, including notifying them when their certification has expired and encouraging them to recertify as soon as possible.
7. Participating in business tradeshow, conventions and events to promote CalPERS contracting opportunities (often partnering with the Department of Veteran's Affairs and/or DGS).
8. Continuing the development of bidder's conferences to provide networking opportunities for DVBEs who are interested in bidding on a CalPERS solicitation.
9. Utilize internal communication avenues to highlight success stories of how CalPERS is currently using certified companies and to encourage further utilization of these certified firms in all of CalPERS' divisions.